Special Analysis

MAJOR MANAGEMENT CHALLENGES

In FY 2003 EPA strengthened its ability to achieve environmental and human health results by addressing its major management challenges. For the second year, the Agency reported no material weaknesses under the Federal Managers Financial Integrity Act (Integrity Act).[1] EPA also resolved in FY 2003 almost one third of its less severe, internal Agency weaknesses tracked by the Administrator. To identify management issues and monitor progress in addressing them, Agency senior leaders use a system of activities that includes: internal and independent reviews, program evaluation and measurement; audits by the General Accounting Office (GAO) and EPA's Office of Inspector General (OIG); and input from the Office of Management and Budget (OMB). These efforts ensure that program activities are effectively carried out in accordance with applicable laws and sound management policy, and provide reasonable assurance that Agency resources are protected against fraud, waste, abuse and mismanagement.

In FY 2003 OMB recognized EPA's success in correcting material weaknesses, which contributed to the Agency achievement of a "green" status score in Improved Financial Performance, a key initiative of the President's Management Agenda.[2] Following are brief descriptions and summaries on efforts underway to address the management challenges facing the Agency.

Challenges in Addressing the Air Toxics Regulatory/Residual Risk Program

While EPA has made substantial progress in issuing Phase 1 air toxics standards, it was over two years behind in fulfilling statutory responsibilities. From FY 2001 to FY 2003, this issue has been an Integrity Act weakness, and from FY 2002 to FY 2003 an OIG management challenge.

EPA has made significant progress in correcting the Agency level weakness on *Meeting Statutory Deadlines for the Air Toxics Regulatory/Residual Risk Program.* Based on this progress, the Agency is on target to complete all of its 10-year Maximum Achievable Control Technology (MACT) standards by February 27, 2004.[3] In addition to strengthening the air toxics program to prevent further delays in issuing the MACT, EPA has developed a comprehensive, integrated air toxics program that better meets long term goals by addressing risks from all sources of toxics—major, area, mobile and indoor sources. The Agency continues to shift the emphasis of its air toxics program to a risk-based approach that addresses specific needs of the various categories of residual risk and their special handling in the Clean Air Act. EPA is developing site-specific risk assessment guidance[4] that will allow a facility to demonstrate whether the health risks it poses to the surrounding community are low enough to comply with the residual risk standards. The Agency is also continuing to analyze the risk of the remaining 2-, 4-, and 7-year MACT source categories. As part of the effort to address concerns about data gaps for toxicity and different data collection and analysis methods, EPA is also developing an efficiency measure on the cause-and-effect relationships between the air toxics program and changes in environmental conditions or cancer incidence. In addition, the Agency is strengthening its sound scientific foundation for an effective risk-based program. This year, the Science Advisory Board (SAB) completed an external review of the Agency's air toxics research strategy.[5] EPA is also working with state and local agencies in a joint Air Toxics Monitoring Steering Committee to design a national toxics monitoring network. The SAB has expressed clear support to the Agency's approach for developing this capacity through monitoring pilots carried out under the sponsorship of the joint committee. The data analysis phase of the initial assessment work, reflected in a 10-city air toxics

[1] Federal Managers Financial Integrity Act of 1982, Public Law 97-255 (September 8, 1982).

[2] Office of Management and Budget, The Executive Office of the President, Federal Management, *The President's Management Agenda.* Available at http://www.whitehouse.gov/omb/budintegration/pma_index.html.

[3] U.S. EPA, *National Emission Standards for Hazardous Air Pollutants*. Available at http://www.epa.gov/ttn/atw/eparules.html.

[4] Air Toxics Website - http://www.epa.gov/ttn/atw/.

[5] Science Advisory Board Website - http://www.epa.gov/science1/03project/proj0328.htm.

monitoring pilot project, was completed in mid-2003.[6] Data from this effort is helping to complete the design of a network for a national air toxics characterization in FY 2004. While EPA works to develop better indicators of air toxic risk reduction, it continues to effectively reduce air toxics, which since 1990 have been reduced by 1.5 million tons per year, a 34% reduction.[7] When all the MACT rules are fully implemented, in addition to efforts by states and industry, toxic emissions from large industrial facilities will decrease by 1.7 million tons per year or 63% from 1990-1993 baseline levels.[8]

Reduce the Backlog of National Pollutant Discharge Elimination System (NPDES) Permits[9]

Expired NPDES permits might not reflect the most recent applicable effluent guidelines, water quality standards, or Total Maximum Daily Loads posing a threat to the environment. Necessary improvements in water quality could be delayed if high-quality permits are not issued timely. From FY 2001 to FY 2003 this issue has been an Integrity Act weakness and an OIG management challenge.

EPA's strategy for improving the program has significantly reduced the backlog. 84 percent of major facilities have current permits (63 percent of the targeted reduction). 82 percent of individual minor facilities have current permits (79 percent of the targeted reduction). When facilities covered by non-storm water general permits are included in the count of minors, 85 percent have current permits (87 percent of the targeted reduction).

In addition to significantly reducing the backlog, EPA is continuing to improve permit efficiency and quality. EPA's recently revised strategy includes increased focus on: effective prioritization of permits for environmental results, stronger NPDES program integrity, and increased efficiency through permit streamlining. To prioritize permits, in FY 2003, EPA pilot tested the use of a permit prioritization checklist and is working with regions and states to finalize it. EPA is also reviewing permit data quality, increasing the percentage of permit records with locational data to better characterize the environmental impact, and modernizing PCS for anticipated implementation in FY 2006. To strengthen NPDES program integrity, EPA is holding regular training courses for permit writers, and working with regions and states to develop and pilot quality management tools, including regional and state self assessments, quarterly trend reports, and state NPDES program profiles. As part of the effort to increase efficiency, the Agency is bundling lower priority permits in a streamlined process, facilitating watershed-based permitting approaches, encouraging use of general permits, and developing and distributing electronic permit application and permit writing tools. In 2003, EPA also made available, through the internet, scanned copies of major permits and fact sheets. The web-accessible permits improve access to information, provide models and improve data sharing.

Management of Biosolids

OIG raised concerns regarding the scientific studies regarding risk and the resources devoted to implementing the biosolids program. From FY 2002 to FY 2003 this issue has been an OIG management challenge.

EPA continues to meet its statutory obligations under the Clean Water Act (CWA) pertaining to sewage sludge while it addresses concerns about the adequacy of the sewage sludge rule, significantly expands biosolids-related research, and continues to actively address biosolids violations and enforce safe land-application of biosolids to prevent risk to human health or the environment. EPA set into motion an inclusive process to address concerns by establishing an intra-Agency committee to develop a draft Agency response to National Research Council (NRC) 2002 recommendations for additional research.[10] In April 2003 EPA published

[6] Technology Transfer Website - http://www.epa.gov/ttn/amtic/

[7] U.S. EPA, Office of Air and Radiation. Analysis based on emission projections using the EMS-HAP version 2 model and the 2000 version of the 1990/1993 baseline inventory. EMS-HAP available at http://www.epa.gov/scram001/tt22.htm#aspen . Projection-related inputs available at http://www.epa.gov/ttn/chief/emch/projection/emshap.html.

[8] U.S. EPA, Office of Air and Radiation. Analysis based on emission projections using the EMS-HAP version 2 model and the 2000 version of the 1990/1993 baseline inventory. EMS-HAP available at http://www.epa.gov/scram001/tt22.htm#aspen . Projection-related inputs available at http://www.epa.gov/ttn/chief/emch/projection/emshap.html.

[9] U.S. EPA, Office of Water, *National Pollutant Discharge Elimination System (NPDES), Backlog Reduction*. Available at http://cfpub.epa.gov/npdes/permitissuance/backlog.cfm.

[10] National Research Council, Division on Earth and Life Studies, Board on Environmental Studies and Toxicology, *Biosolids Applied to Land: Advancing Standards and Practices* (2002). Available at http://www.nap.edu/catalog/10426.html.

its draft response in the Federal Register for public comment.[11] and announced its final response and strategy in the Federal Register on December 31, 2003.[12] The December 31, Federal Register notice also included the final decision on identifying additional pollutants in biosolids that may warrant further regulation §405(d)(2)(C) of the CWA. It describes a multi-pathway screening risk analysis from which EPA identified 15 pollutants for further evaluation and data gathering to determine whether they may warrant regulation under the CWA.

On October 17, 2003, EPA announced its final decision not to regulate dioxins in land applied sewage sludge.[13] This decision was based on the results of a peer reviewed multi-pathway risk assessment that took five years to develop and finalize. The results of this risk assessment demonstrated that the risk is small of new cancers from exposure to dioxins for a highly exposed population of farm families that use sewage sludge on their farms as a fertilizer and soil amendment. EPA also evaluated the potential risks to wildlife from exposure to dioxins from land applied sewage sludge. The results of this evaluation indicated that there are no significant ecological impacts.

EPA is undertaking research and analyses initiatives to improve and expand its scientific understanding and management of the biosolids program. In addition, EPA has taken actions to address biosolids violations and will continue to take actions to address instances where biosolids pose an endangerment to human health or the environment. From FY 1995 to FY2002 EPA undertook over 500 enforcement actions, and from FY 2000 to FY 2002 conducted approximately 380 inspections.[14] To assist the states and regions in their oversight of the biosolids program, EPA has, either in place or in development, tools to assist and promote compliance with biosolids regulatory requirements. For example, the Agency recently developed revised guidance and training on NPDES inspections, including biosolids.[15] EPA is also continuing to work with states as it modernizes the Permit Compliance System (PCS) to allow for more effective program oversight. As part of the PCS modernization, a separate workgroup (including states and EPA) was devoted to the data needed to manage the biosolids program.[16] The anticipated implementation date for the modernized PCS is December 2005. In addition to this national system, states and facilities may choose to use the Biosolids Data Management System (BDMS) as an additional management tool.

EPA also has been working closely with the National Biosolids Partnership to develop and pilot test a voluntary system for biosolids which seeks to enhance biosolids management from pretreatment through processing and ultimate disposition. Currently there are 62 wastewater treatment authorities in the EMS and EMS development program. At the end of Calendar 2003, the first two authorities, Orange County, California and the City of Los Angeles California attained EMS status with the awarding of EMS certificates by the National Biosolids Partnership. The Agency has also been actively coordinating with states and regions through a cross-office Biosolids Program Implementation Team. EPA also continues to conduct state of the biosolids workshops. The Agency held the most recent conference on the "State of Science for the Land Application of Biosolids" in January, 2004. In cooperation with the U.S. Department of Agriculture and many other stakeholders, EPA plans to conduct field studies at selected locations to assess potential emissions of certain chemical and microbial agents from biosolids land-application sites.

EPA's Working Relationships with States

The National Environmental Performance Partnership System (NEPPS)[17] established working EPA-state partnerships designed to focus scarce resources on priority environmental problems. Under NEPPS, jointly-developed priorities, strategies, and measures for assessing progress are articulated in performance partnership agreements (PPAs). Performance partnership grants (PPGs),[18] a primary tool for implementing NEPPS, allow states and Tribes to combine multiple EPA grants into one grant directed to their needs and priorities. From FY 2001

[11] Federal Register, April 9, 2003 at 68 Federal Register 17379-17395.

[12] Federal Register, December 31, 2003 at 68 Federal Register 75531-75552

[13] Federal Register, October 24, 2003 at 68 Federal Register 61084-61096.

[14] U.S. EPA, Office of Enforcement and Compliance Assurance, Permit Compliance System (PCS) database.

[15] U.S. EPA, Office of Enforcement and Compliance Assurance, Clean Water Act/NPDES Computer Based Inspector Training CD ROM, August, 2003.

[16] U.S. EPA, Office of Enforcement and Compliance Assurance, ICIS Phase II, Permit Compliance System Modernization, Final Design Document, September, 2003.

[17] U.S. EPA, Office of Congressional and Intergovernmental Relations, Performance Partnership. Available at http://www.epa.gov/ocirpage/nepps/index.htm.

[18] U.S. EPA, Office of Congressional and Intergovernmental Relations, Performance Partnership. Available at http://www.epa.gov/ocirpage/nepps/index.htm.

to FY 2003, NEPPS implementation has been a GAO or OIG major management challenge.

The Agency continues its long-term commitment to working with state agencies to improve management of national environmental programs and promote implementation of NEPPS. A joint EPA-Environmental Council of States (ECOS) workgroup was established in the spring of 2003 to further advance joint planning and performance partnerships. After a series of working sessions, EPA and state leaders agreed to better align EPA national, regional, and state planning processes and facilitate more meaningful joint priority setting. To strengthen the role of PPAs as the defining document for the state-EPA partnership, they also agreed upon the essential elements of PPAs. Implementation will begin in 2004, with particular focus on piloting the improved processes with a subset of states that have expressed an interest and commitment to participate during the FY 2005 planning cycle. The EPA-ECOS workgroup will monitor the initial effort to ensure continuous improvement.

The Performance Partnership Steering Committee comprised of senior leaders from across EPA, meets periodically to provide overall direction and resolve policy issues related to improving performance partnerships. Responding to a major need identified during a joint EPA-state meeting on PPGs in January 2003, EPA developed a PPG training course that was delivered to EPA and state officials in a series of workshops across the country during the year. In FY 2004, EPA will focus on addressing issues raised during the training sessions. These issues include timing of grants, use of carryover funds, joint evaluation, and mitigating conflicts between performance partnership principles and categorical grants guidance. Regional and program office NEPPS coordinators hold regular conference calls to share experiences and discuss issues, and the Agency continues periodic reporting on the status of PPAs and PPGs to keep the states, Congress, and other stakeholders and partners informed. With these activities serving as the foundation for further progress, EPA is committed to continuing training, working group sessions, joint reviews, and developing and implementing a strategy to market the successes and benefits of performance partnerships.

Information System Security

EPA continues to improve the management and oversight of the Agency information security program with the development and implementation of effective information security tools and processes that mitigate risks to the Agency's data and systems. From FY 2001 to FY 2003 this topic has been an Integrity Act weakness, and GAO or OIG management challenge.

EPA has successfully demonstrated and maintained a high level of security for its information resources and environmental data. In FY 2002, the Agency developed and began implementing a comprehensive strategy to systematically address security-related deficiencies in accordance with the Government Information Security Reform Act,[19] and in FY 2003, the Agency validated the effectiveness of these corrective actions. The corrective actions include ensuring annual security self-assessments of Agency general support systems and major applications in accordance with Federal Information Security Management Act[20] and relevant OMB directives; conducting in-depth analyses of Capital Planning and Investment Control system security plans to determine that the controls provide the anticipated protections; ensuring regular risk assessments and follow-up on major applications and general support systems; monitoring Agency networked computer servers for compliance with security standards and sending quarterly reports to senior officials summarizing their compliance status; conducting internal and external network penetration testing; and monitoring EPA's firewall and intrusion detection system to ensure security of the Agency's cyber perimeter.

EPA plans to sustain information security improvements through consistent security control implementation, ongoing evaluation, and regular testing to ensure that the policies and procedures are effective. In FY 2004, the Agency will focus on establishing a robust quality assurance program, improving the security training program for staff with significant security responsibilities, ensuring contingency plans are updated, and establishing a process to ensure that the Agency's information security practices are implemented throughout the life cycle of information technology systems.

Information Resources Management (IRM) and Data Quality/Environmental and Performance Information Management

To acquire, manage, and deliver the data the Agency needs to make decisions and monitor

[19] FY 2001 Defense Authorization Act, Public Law 106-398, Title X, Subtitle G.
[20] FY 2003 Electronic Government Act, Public Law 107-347, Title III.

progress against environmental goals, EPA continues to improve data management and use by providing tools and planning processes for effective data sharing, data integration, and identification of key data gaps. From FY 2001 to FY 2003 this issue has been an Integrity Act weakness and a GAO and OIG management challenge.

EPA's progress includes completion of the *EPA Strategic Information Plan, A Framework for the Future*;[21] promulgation of six Reinventing Environmental Information data standards;[22] development of the Data Architecture, a component of the Agency Enterprise Architecture (EA);[23] development of the draft *Data and Information Quality Strategic Plan*;[24] completion of a second set of six new data standards;[22] and improvement of data collection processes through the Central Data Exchange.[25] EPA is working with the states and tribes, through the Environmental Data Standards Council, to develop data standards for the exchange of environmental data. To facilitate data standard implementation, EPA has established technical and business guidelines for the use of standard data elements, and is providing technical assistance. Building on the FY 2003 *Draft Report on the Environment*,[26] EPA is continuing the Environmental Indicators Initiative, a long-term effort to work with stakeholders, partners and the public to identify and fill key data gaps.

All EPA organizations have approved Quality Management Plans, and are focusing on implementing and integrating quality procedures into business practices. During 2004, EPA will continue its efforts with states and tribes to develop the National Environmental Information Exchange Network, a web-based system that enables electronic data exchanges that improve data quality and timeliness, reduce burden and costs, and improve public access. The Agency plans for at least 25 states to have Exchange servers by the end of FY 2004.

EPA efforts to improve oversight and management of Agency laboratory quality systems include developing a web site of best practices of laboratory policies, procedures, tools and training to improve capacity to produce quality environmental data. The Agency's Forum on Environmental Measurements (FEM) developed a draft policy to ensure and demonstrate the competency of Agency laboratories. The draft policy, currently undergoing Science Policy Council review, requires Agency laboratories to become accredited and participate in inter-laboratory comparison studies to demonstrate continuing competency. The draft policy also mandates assessments by external organizations or assessors in cases where appropriate accreditation programs do not exist.

Making Regulatory Innovations Successful[27]

EPA has invested considerable time and resources to "reinvent" environmental regulations within the existing statutory framework, but GAO is concerned that EPA must address statutory obstacles in order for innovative regulatory programs to succeed. In FY 2002 and FY 2003, regulatory reinvention has been a GAO major management challenge.

EPA is committed to continue testing and implementing innovative approaches to achieve environmental results. This continued commitment allows progress to occur in the near term, while gaining experience in how new legislative authority could address impediments without undermining the benefits of today's environmental statutes or sacrificing important safeguards in the Nation's environmental protection system. In 2003, EPA continued and enhanced its robust approach to regulatory innovation. For example, EPA has been instrumental in its facilitation of the transfer of the Environmental Results Program (ERP), an innovation model originated in Massachusetts self-certification innovation launched in the late 1990's, to other states and environmental problem areas. ERP interlinks the three components of compliance assistance, self-certification and performance measurement. ERP

[21] *EPA Strategic Information Plan: A Framework for the Future.* Available at www.epa.gov/oei/pdf/Strategic_Information_Plan_7_29_02.pdf

[22] U.S. EPA, Environmental Data Registry. Available at http://www.epa.gov/edr/

[23] U.S. EPA, *DRAFT Data and Information Quality Strategic Plan* (January 2002). Available from the Office of Environmental Information's Office of Planning, Resources, and Outreach.

[24] U.S. EPA, *EPA Enterprise Architecture, Version 1.0* (January 2003). Available from the Office of Environmental Information's Office of Technology and Operations Planning.

[25] U.S. EPA, Central Data Exchange. Available at www.epa.gov/cdx/

[26] U.S. EPA *Draft Report on the Environment* 2003 (EPA-260-R-02-006, June 2003), available at http://www.epa.gov/indicators/roe/index.htm.

[27] U.S. EPA National Center for Environmental Innovation. Available at http://www.epa.gov/innovation.

compliance assistance brings together all regulatory requirements and pollution prevention best management practices in a "plain English" workbook. Facility self-certification can be single or multimedia based and is prepared in a user friendly format. ERP performance measurement is based on statistically valid inspection protocols and allows tracking whole business sectors as well individual facilities. The three components are interlinked so workbook sections relate directly to self-certification questions and inspection protocols for performance measurement and tracking. The Massachusetts Department of Environmental Protection (MA DEP) has found that ERP reduces cost and burden for regulators and regulated entities. MA DEP estimates that ERP has resulted in dry cleaners reducing their perchloroethyane emissions by 22 tons, and printers their volatile organic compound emissions by 4 tons. Also, underground storage tanks ERP projects are being implemented in several states as well as other small-business dominated sectors.

EPA continues to work with the Environmental Council of the States (ECOS) to improve the EPA processes needed to create regulatory flexibility for state innovation projects. For example, EPA and ECOS are developing a Joint Workplan designed to align EPA and state innovation efforts so they address the same priority environmental problems, leveraging the combined efforts of EPA and the states, and driving innovation into core state environmental programs. EPA also successfully piloted a state innovation grant competition and awarded several state grants to provide seed money to the state-initiated projects. Based on an independent evaluation of the first-year innovation competition, the Agency is expanding this state innovation funding idea. The second solicitation was issued in October 2003 and is targeted at priorities identified in consultation with states and other stakeholders. This kind of program, and the discussion between state environmental commissioners and EPA senior leadership, can inform the legislative process, and potentially support a clearer understanding of how specific legislative provisions could be designed to overcome perceived barriers in existing statutes. The greatest potential and anticipated benefit of this innovation work is effectively taking lessons learned during experimental pilots and applying them to our national and state programs, and potentially making regulatory change. EPA is working with the states in the grant program to measure and evaluate the results of the state pilots. EPA describes a specific strategic target for the State Innovation Grant Program in the Agency's Strategic Plan for 2003-2008 to measure improvement in environmental protection resulting from alternative approaches to environmental protection.

Human Capital Strategy Implementation/Employee Competencies

EPA recognizes the importance of placing the right people, with the appropriate skills, where they are needed. The Agency needs a systematic approach to workforce planning, supported by reliable and valid workforce data, and should focus on sustaining adequate scientific expertise. From FY 2001 to FY 2003 this issue has been an Integrity Act weakness, and a GAO and OIG management challenge.

EPA made significant progress toward addressing this weakness and achieving the President's Management Agenda (PMA) Human Capital initiative. EPA received green progress scores for five of six quarters.[28] The Agency aligned its human capital planning activities with strategic planning and budgeting processes. EPA has issued a new *Strategy for Human Capital, Investing in Our People II, 2004 and Beyond*[29] to build on a history of solid accomplishments and chart the course for the future. The Strategy identifies 80 specific action items for FY 2004 that set the stage for achieving Human Capital excellence and for attaining a green status score in the Human Capital portion of the PMA. Some of those action items include:

I. Implementing the National Strategic Workforce Planning System,[30] which links competencies to mission needs along major occupations, and will provide managers with a tool to inventory workforce competencies and project future needs to identify skill gaps.

II. Continuing to offer successful developmental programs that address the

[28] U. S. Executive Office of the President. "The President's Management Agenda." Washington, DC: Available only on the Internet at: http://www.results.gov/agenda/index.html

[29] U.S. EPA, Office of Administration and Resources Management. "Strategy for Human Capital, Investing in Our People II, 2004 and Beyond." Washington, DC: EPA. Available only on the Intranet at: http://intranet.epa.gov/oarm/2003shc/index.html

[30] U. S. EPA, Office of Administration and Resources Management. "National Strategic Workforce Planning System." Washington, DC: EPA. Available only on the intranet at: http://intranet.epa.gov/institute/wds/planning.htm

needs of all employees from administrative personnel to executive leadership.

III. Assessing the effectiveness of the Workforce Development Strategy[31] programs, by conducting several program evaluations and making enhancements as indicated by these evaluations. These evaluations will serve as a "test bed" for an evaluation methodology that will be applied to other human capital initiatives.

IV. Providing greater support for national recruitment initiatives and developing a coordinated approach to Agency-wide recruitment and outreach initiatives.

To ensure that the Agency's Human Capital activities support the agency mission and are being effectively conducted, EPA is implementing a Human Capital Accountability Plan.

Protecting Critical Infrastructure from Non-Traditional Attacks

While EPA's efforts to enhance critical infrastructure protection are commendable, EPA needs to better define expectations and develop systems to effectively measure and analyze program performance to ensure the desired state of security and achieve its goals. This issue has been an OIG management challenge since FY 2002.

EPA made significant progress in implementing the Agency's *Homeland Security Strategic Plan*,[32] a comprehensive approach to carrying out EPA's responsibilities in responding to and recovering from acts of environmental and other terrorists attacks. In FY 2003, EPA established an Office of Homeland Security (OHS) as the lead office for ensuring implementation of the *Homeland Security Strategic Plan*, coordinating homeland security policy development across EPA, and serving as primary liaison with senior officials in the Department of Homeland Security and other Federal agencies with responsibilities for homeland security. The *Homeland Security Strategic Plan* was updated and is currently undergoing a quality control review. EPA plans to release the updated *Plan* during the second quarter of FY 2004.

EPA responded to requests for information and reports from the White House Homeland Security Council, Department of Homeland Security, White House Office of Management and Budget, General Accounting Office, Congress, and members of the public. The Agency is also developing a homeland security information management system.

EPA is working to complete a number of inter- and intra-agency efforts related to homeland security, including critical infrastructure, bio-defense, and laboratory capacity. In addition, EPA convened a Homeland Security Policy Coordinating Committee, and is working with senior staff to develop and resolve homeland security policy priorities at EPA. EPA also formed a working group to explore issues associated with the management and analysis of national security information and other sensitive information. The group completed a program review during the first quarter of FY 2004, and EPA is currently reviewing proposed recommendations. EPA's plans to implement accepted recommendations should begin during the second quarter of FY 2004.

Linking Mission and Management

OIG believes that EPA has begun developing the process for linking resources to results, but needs to strengthen its ability to link costs to goals by working cooperatively with its State and Federal agency partners to develop more outcome-oriented goals and measures, and by improving Agency accounting procedures. This issue has been an OIG management challenge from FY 2001 to FY 2003.

EPA's sustained focus on improving the way the Agency manages for results and uses cost and performance information in decision making has resulted in government-wide recognition for the Agency's achievements in Budget and Performance Integration under the President's Management Agenda. The Agency's accomplishments in FY 2003 include the following: (1) revising EPA's strategic plan to include five outcome-oriented goals and supporting objectives and sub-objectives that have clear linkages with the work of regions, states, and tribes; (2) developing Regional Plans as a common framework for linking EPA's Regional priorities to the Agency's five strategic goals; (3) increasing the use of annual performance information and trend data in developing the FY 2005 budget; and (4) developing more outcome-oriented annual

[31] U. S. EPA Office of Administration and Resources Management. "Workforce Development Strategy." Washington, DC: EPA. Available only on the Intranet at: http://intranet.epa.gov/institute/wds.htm

[32] U.S. EPA Strategic Plan for Homeland Security. Available at http://www.epa.gov/epahome/downloads/epa_homeland_security_strategic_plan.pdf

performance goals and measures as well as efficiency measures. In addition, in FY 2003, EPA enhanced its cost accounting capabilities and strengthened the linkages between resources and performance by developing a new accounting framework that will allow EPA to track resources across the five new goals. Further, EPA released a *Draft Report on the Environment*[33] as part of the Agency's "environmental indicators initiative," which is intended to help assess the current state of the environment and to provide a baseline against which future performance can be measured.

EPA joined only two other Federal agencies in receiving a "green" status score for Improved Financial Performance. OMB provided this distinction in recognition of the Agency's significant accomplishments in these areas, including EPA's use of financial and performance information in day-to-day program management and decision making. OMB also provided the Agency with progress scores of "green" for Budget and Performance Integration under the President's Management Agenda for the seventh consecutive quarter since June 2002. EPA received a 2003 President's Quality Award for financial management,[34] the highest recognition in government given to Federal agencies for excellence in management. In addition, EPA was selected as a finalist last year for the 2002 President's Quality Award in the area of Budget and Performance Integration.[35] While EPA acknowledges the importance of the improvement opportunities identified by the OIG, it has made significant progress in this area, and is effectively working on further achievements.

Grants Management and Use of Assistance Agreements

EPA needs to improve oversight for the award and administration of assistance agreements to ensure effective and efficient use of resources. From FY 2001 to FY 2003 this issue has been an EPA weakness, and a GAO, OMB or OIG management challenge.

Each fiscal year, EPA awards, on the average, slightly less than half of the Agency's budget in grants,[36] and it is implementing a comprehensive approach to manage these grant dollars effectively and ensure they further the Agency's mission. Specifically, in FY 2003, EPA developed the Agency's first long-term Grants Management Plan.[37] The Plan provides the framework for ensuring that EPA's grant programs meet the highest management and fiduciary standards and further the Agency's strategic program goals.

A key objective of the long-term Plan is to strengthen accountability for grants management. To that end, EPA issued directives emphasizing the need to hold staff accountable for effective grants management, and requiring managers to include compliance with grants management policies in mid-year performance discussions with staff. In addition, EPA is requiring Headquarters and Regional offices to include in their Integrity Act Assurance letters a description of their efforts to address the grants management weakness. The Agency is supplementing these efforts with an ongoing review of employee performance standards to ensure that standards adequately reflect grants management responsibilities.

EPA is aggressively implementing its recently established policies for grants competition and post-award monitoring. In FY 2003, the Agency has more than doubled the percentage of competitive awards to non-profit organizations covered by the competition policy over the level achieved in FY 2002, and the new post-award monitoring policy will significantly increase the level of baseline and advanced monitoring of grantees. All Agency Senior Resource Officials (SROs) submitted FY 2003 post-award monitoring plans to ensure a strong level of commitment to effective grants management and accountability. EPA also has developed a new performance incentives award program for grants management that will recognize offices that exceed the performance measures in the long-term Plan. Other accomplishments include: revamped training programs focusing on core competencies of project officers and grants specialists; a comprehensive, new system of grants management reviews of EPA offices; highlighting in the Agency's 2003 Strategic

[33] U.S. EPA *Draft Report on the Environment* 2003 (EPA-260-R-02-006, June 2003), available at http://www.epa.gov/indicators/roe/index.htm.

[34] EPA received 2003 Presidential Award for Management Excellence, media advisory. Available at http://www.opm.gov/pressrel/2003/WA-PQA.asp .

[35] EPA selected as finalist for the 2002 Presidential Quality Award in Area of Budget and Performance Integration, news release. Available at http://www.whitehouse.gov/news/releases/2002/11/20021125_2.html.

[36] U.S. EPA, Office of Administration and Resources Management. "EPA Grants Information and Control System (GICS) database." Washington, DC: EPA.

[37] U.S. EPA, Office of Administration and Resources Management. "EPA Grants Management Plan." Washington, DC: EPA. Available only through the Internet:http://www.epa.gov/ogd/EO/finalreport.pdf

Plan the importance of effective grants management in carrying out the Agency's strategic goals; developing an interim policy on grant environmental results; and convening two meetings of the Grants Management Council, composed of SROs, to provide for high-level planning and coordination.

EPA USER FEE PROGRAM

In FY 2005, EPA will have several user fee programs in operation. These user fee programs are as follows:

Current Fees

?? **Pre-Manufacturing Notification Fee**

Since 1989, this fee has been collected for the review and processing of new chemical Pre-Manufacturing Notifications (PMN) submitted to EPA by the chemical industry. These fees are paid at the time of submission of the PMN for review by EPA's Office of Prevention, Pesticides and Toxic Substances. PMN fees are authorized by the Toxic Substances Control Act and contain a cap on the amount the Agency may charge for a PMN review. EPA expects to collect $1,800,000 in PMN fees in FY 2005 if the existing fee structure is not altered in FY 2004. The removal of the statutory fee cap is discussed below under User Fee Proposals.

?? **Lead Accreditation and Certification Fee**

The Toxic Substances Control Act, Title IV, Section 402(a)(3), mandates the development of a schedule of fees for persons operating lead training programs accredited under the 402/404 rule and for lead-based paint contractors certified under this rule. The training programs ensure that lead paint abatement is done safely. Fees collected for this activity are deposited in the U.S. Treasury. EPA estimates that less than $500,000 will be deposited in FY 2005.

Pesticides Fees

The FY 2005 President's Budget assumes passage of the FY 2004 Omnibus Appropriations Act, which includes authorization for a new fee structure for the pesticides program, under the Pesticides Registration Improvement Act for 2003. The new structure includes an extension to the Maintenance fee for older pesticide review, and a new Enhanced Registration Services fee, which will allow the Agency to accelerate the review of new registration actions for pesticides.

?? **Pesticides Maintenance Fee Extension**

The Maintenance Fee provides funding for both the Tolerance Reassessment and the Reregistration programs. The Pesticides Registration Improvement Act extends the maintenance fee through 2008, to coincide with the schedules for these programs. Tolerance reassessment is slated for completion in 2006, under the FQPA statute, and the final reregistration decisions are scheduled for 2008. In FY 2005, the Agency expects collections of $27,000,000.

?? **Enhanced Registration Services**

The Pesticides Registration Improvement Act includes fees for accelerated service on registration decisions for pesticides. This will allow industry to move new pesticides to the market more quickly, often providing an alternative to older, riskier pesticides in use. These fees will be paid to the Agency at the time the registration action request is submitted. In FY 2005, Agency collections are estimated at $19,400,000.

?? **Removal of the Statutory Cap on the Pre-Manufacturing Notification Fee**

The Agency is proposing authorizing and appropriations language to remove the statutory cap on the existing Pre-Manufacturing Notification (PMN) fees to allow EPA to cover the full cost of the PMN program. The authorizing language would remove the current statutory cap in the Toxic Substances Control Act on the total fee that EPA is allowed to charge. The fee change would be subject to an appropriations language trigger that would allow the fees to be counted as discretionary. Under the current fee structure, the Agency would collect $1,800,000 in FY 2005. The increase in PMN fees will be deposited into a special fund in the U.S. Treasury, available to the Agency, subject to appropriation. After the anticipated rulemaking, the Agency estimates collections of an additional $4,000,000 in FY 2005.

?? **Pesticides Registration Fee**

The Pesticides Registration Improvement Act rescinds the authority to collect pesticides registration fees to offset base program costs. This budget proposes amending the Act to allow collection of this fee. Collections are estimated at $26,000,000.

?? **Motor Vehicle and Engine Compliance Program Fee**

This fee is authorized by the Clean Air Act of 1990 and is managed by the Office of Air and Radiation. Fee collections began in August 1992. This fee is imposed on manufacturers of light-duty vehicles, light and heavy trucks and motorcycles. EPA has a final rule currently under review at OMB that updates fees for industries currently paying fees and setting forth fees for newly regulated vehicles and engines. The fees established for new compliance programs are imposed on heavy-duty, in-use, and nonroad industries, including large diesel and gas equipment (earthmovers, tractors, forklifts, compressors, etc), handheld and non-handheld utility engines (chainsaws, weed-wackers, leaf-blowers, lawnmowers, tillers, etc.), marine (boat motors, tugs, watercraft, jet-skis), locomotive, aircraft and recreational vehicles (off-road motorcycles, snowmobiles). The fees cover EPA's cost of certifying new engines and vehicles and monitoring compliance of in-use engines and vehicles. In FY 2005, EPA expects to collect $18,000,000 from this fee.

WORKING CAPITAL FUND

In FY 2005, the Agency begins its ninth year of operation of the Working Capital Fund (WCF). It is a revolving fund authorized by law to finance a cycle of operations, where the costs of goods and services provided are charged to users on a fee-for-service basis. The funds received are available without fiscal year limitation, to continue operations and to replace capital equipment. EPA's WCF was implemented under the authority of Section 403 of the Government Management Reform Act of 1994 and EPA's FY 1997 Appropriations Act. Permanent WCF authority was contained in the Agency's FY 1998 Appropriations Act.

The Chief Financial Officer initiated the WCF in FY 1997 as part of an effort to: (1) be accountable to Agency offices, the Office of Management and Budget, and the Congress; (2) increase the efficiency of the administrative services provided to program offices; and (3) increase customer service and responsiveness. The Agency has a WCF Board which provides policy and planning oversight and advises the CFO regarding the WCF financial position. The Board, chaired by the Associate Chief Financial Officer, is composed of eighteen permanent members from the program offices and the regional offices.

Two Agency Activities begun in FY 1997 will continue into FY 2005. These are the Agency's data processing and telecommunications operations, managed by the Office of Technology Operations and Planning, and Agency postage costs, managed by the Office of Administration. The Agency's FY 2005 budget request includes resources for these two Activities in each National Program Manager's submission, totaling approximately $148.0 million. These estimated resources may be increased to incorporate program office's additional service needs during the operating year. To the extent that these increases are subject to Congressional reprogramming notifications, the Agency will comply with all applicable requirements.

STATE and TRIBAL ASSISTANCE GRANTS (STAG)
Appropriation Account
(Dollars in thousands)

	FY 2003 Enacted Budget	FY 2004 President's Budget	FY 2005 Pres Bud Total	Difference FY 2005 PB v. FY 2004 PB
STATE and TRIBAL GRANT ASSISTANCE	$1,142,901.8	$1,202,700.0	$1,252,300.0	$49,600.0
INFRASTRUCTURE ASSISTANCE				
State Revolving Funds				
Clean Water State Revolving Fund	$1,341,225.0	$850,000.0	$850,000.0	$0.0
Drinking Water State Revolving Fund	$844,475.0	$850,000.0	$850,000.0	$0.0
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Total Infrastructure	**$2,185,700.0**	**$1,700,000.0**	**$1,700,000.0**	**$0.0**
STAG PROJECTS				
Brownfields Projects	$89,911.8	$120,500.0	$120,500.0	$0.0
Clean School Bus Initiative			$65,000.0	$65,000.0
Special Needs Projects				
Mexican Border	$49,675.0	$50,000.0	$50,000.0	$0.0
Alaskan Native Villages	$42,723.1	$40,000.0	$40,000.0	$0.0
Puerto Rico	-----	$8,000.0	$4,000.0	-$4,000.0
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Total Special Needs Projects	$92,398.1	$98,000.0	$94,000.0	-$4,000.0
Congressional Earmarks	$323,992.3	$0.0	$0.0	$0.0
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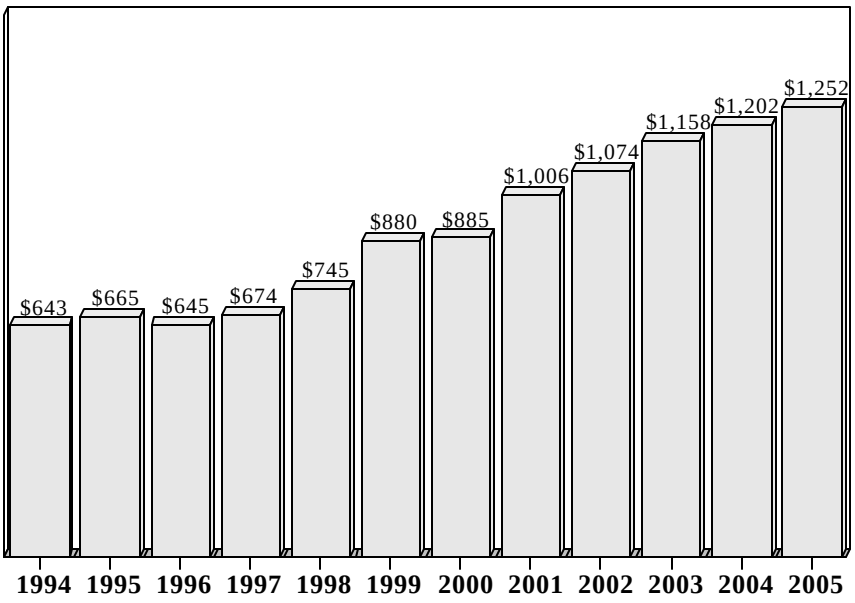
Total - STAG Projects	$506,302.2	$218,500.0	$279,500.0	$61,000.0
TOTAL STAG	**$3,834,904.0**	**$3,121,200.0**	**$3,231,800.0**	**$110,600.0**

CATEGORICAL GRANTS PROGRAM (STAG)

(Dollars in millions)



In FY 2005, the President's Budget requests a total of $1,252 million for **25** "categorical" program grants for state and Tribal governments. This is an increase of $49.6 million over FY 2004. EPA will continue to pursue its strategy of building and supporting state, local and Tribal capacity to implement, operate, and enforce the Nation's environmental laws. Most environmental laws envision establishment of a decentralized nationwide structure to protect public health and the environment. In this way, environmental goals will ultimately be achieved through the actions, programs, and commitments of state, Tribal and local governments, organizations and citizens.

In FY 2005, EPA will continue to offer flexibility to state and Tribal governments to manage their environmental programs as well as provide technical and financial assistance to achieve mutual environmental goals. First, EPA and its state and Tribal partners will continue implementing the National Environmental Performance Partnership System (NEPPS). NEPPS is designed to allow states more flexibility to operate their programs, while increasing emphasis on measuring and reporting environmental improvements. Second, Performance Partnership Grants (PPGs) will continue to allow states and tribes funding flexibility to combine categorical program grants to address environmental priorities.

HIGHLIGHTS:

State & Local Air Quality Management, Radon, and Tribal Air Quality Management Grants

In FY 2005, the President's Budget includes $247.8 million for Air State and Local Assistance grants to support state, local, and Tribal air programs as well as radon programs. State and Local Air Quality Management grant funding is requested in the amount of $228.6 million. These funds provide resources to state and local air pollution control agencies for the development and implementation of programs for the prevention and control of air pollution or for the implementation of national primary and secondary ambient air standards. They can also be used to support certain research and development and related activities. Tribal Air Quality Management grants, requested in the amount of $11.1 million, provide funds to Tribes to develop and implement air pollution prevention and control programs, or to implement national primary and secondary ambient air standards. Lastly, the President's Budget includes $8.2 million for Radon grants, to provide funding for state radon programs.

Pesticide Enforcement, Toxics Substance Compliance, and Sector Program Grants

In FY 2005, the President's Budget includes $27.3 million to build environmental partnerships with states and tribes and to strengthen their ability to address environmental and public health threats. The

enforcement state grants request consists of $19.9 million for Pesticides Enforcement, $5.15 million for Toxic Substances Enforcement Grants, and $2.25 million for Sector Grants. State and Tribal enforcement grants will be awarded to assist in the implementation of compliance and enforcement provisions of the Toxic Substances Control Act (TSCA) and the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). These grants support state and Tribal compliance activities to protect the environment from harmful chemicals and pesticides.

Under the Pesticides Enforcement Grant program, EPA provides resources to states and Indian tribes to conduct FIFRA compliance inspections and take appropriate enforcement actions and implement programs for farm worker protection. Under the Toxic Substances Compliance Grant program, states receive funding for compliance inspections of asbestos and polychlorinated biphenyls (PCBs) and for implementation of the state lead abatement enforcement program. The funds will complement other Federal program grants for building state capacity for lead abatement, and enhancing compliance with disclosure, certification and training requirements.

Pesticides Program Implementation Grants

The President's FY 2005 budget includes $13.1 million for Pesticides Program Implementation grants. These resources will assist states and tribes in implementing the safer use of pesticides, including: worker protection; certification and training of pesticide applicators; protection of endangered species; tribal pesticide programs; integrated pest management and environmental stewardship; and protection of water from pesticide contamination.

Lead Grants

The President's FY 2005 budget includes $13.7 million for Lead grants. This funding will support the development of authorized programs in both States and Tribes to prevent lead poisoning through the training of workers who remove lead-based paint, the accreditation of training programs, the certification of contractors, and renovation education programs. Another activity that this funding will support is the collection of lead data to determine the nature and extent of the lead problem within an area.

Pollution Prevention Grants

The FY 2005 request includes $6.0 million for Pollution Prevention grants. The grant program provides technical assistance towards the achievement of reduced pollution through source reduction.

Environmental Information Grants

In FY 2005, the President's Budget includes $25.0 million to continue a grant program, started in 2002, which provides states and tribes assistance to develop the Exchange Network. This grant program will support state and Tribal efforts to complete necessary changes to their information management systems to facilitate participation, and enhance state information integration efforts. The Exchange Network will improve environmental decision making, improve data quality and accuracy, ensure security of sensitive data, and reduce the burden on those who provide and those who access information

Underground Storage Tanks (UST) Grants

The President's FY 2005 budget includes $37.9 million for Underground Storage Tank grants, an increase of $26 million over 2004. The proposed $26 million increase in state and tribal grants would allow EPA to fund additional inspections of underground storage tanks. More inspections will ensure proper operation and maintenance of UST systems to prevent future releases. This investment more than triples the size of Federal assistance to states and tribes for the UST program. States and tribes will use these resources to ensure that UST owners and operators routinely and correctly monitor all regulated tanks and piping in accordance with regulations, and also to develop programs with sufficient authority and enforcement capabilities to operate in lieu of the Federal program.

Hazardous Waste Financial Assistance Grants

In FY 2005, the President's Budget includes $106.4 million in funding for Hazardous Waste Financial Assistance grants. Hazardous Waste Financial Assistance grants are used for the implementation of both the Resource Conservation and Recovery Act (RCRA) hazardous waste management and minimization programs.

Brownfields Grants

In FY 2005, the President's Budget includes $60.0 million, to continue the Brownfields grant program that provides assistance to states and tribes to develop and enhance their state and Tribal response programs. This funding will help states and tribes develop legislation, regulations, procedures, and guidance, to establish or enhance the

administrative and legal structure of their response programs.

Water Pollution Control (Clean Water Act Section 106) Grants

In FY 2005, the President's Budget includes $222.4 million for Water Pollution Control grants, an increase of $22.0 million over 2004. Of this increase, $17.0 million will fund grants to states and tribes under the water quality monitoring initiative to support adoption of new comprehensive monitoring strategies and the development of statistically valid monitoring networks to help target activities and determine water quality status and trends. The remaining $5 million will assist states in the implementation of the Concentrated Animal Feeding Operations (CAFOs) programs and support issuance of storm sewer permits.

Wetlands Grants

In FY 2005, the President's Budget includes $20.0 million for Wetlands Program Grants. These grant resources will be used to assist states and tribes in protecting wetlands and waters not covered by the Clean Water Act.

Public Water System Supervision Grants

In FY 2005, the President's Budget includes $105.1 million for Public Water System Supervision (PWSS) grants. These grants provide assistance to implement and enforce National Primary Drinking Water Regulations to ensure the safety of the Nation's drinking water resources and to protect public health.

Indian General Assistance Program Grants

In FY 2005, the President's Budget includes $62.5 million for the Indian General Assistance Program (GAP) to help Federally recognized tribes and inter-tribal consortia develop, implement and assume environmental programs.

Homeland Security Grants

In FY 2005, the President's Budget includes $5.0 million for homeland security grants to support states' efforts to work with drinking water and wastewater systems to develop and enhance emergency operations plans; conduct training in the implementation of remedial plans in small systems; and, develop detection, monitoring and treatment technology to enhance drinking water and wastewater security.

Water Quality Cooperative Agreements Grants

The FY 2005 President's Budget includes $20.5 million for Water Quality Cooperative Agreements grants, an increase of $1.5 million over 2004. This increase will fund a new technical assistance and demonstration grants program to show municipalities innovative ways of managing infrastructure. Through the Water Quality Cooperative Agreement program, the Agency continues to support the creation of unique and innovative approaches to address requirements of the NPDES program, with special emphasis on wet weather activities. In addition, this grant program has long supported other programmatic activities such as sustainable management systems for water pollution control and various other program innovations.

Underground Injection Control (UIC) Grants

The FY 2005 President's Budget includes $11.0 million for the Underground Injection Control grants program. Ensuring safe underground injection of waste materials is a fundamental component of a comprehensive source water protection program. Grants are provided to states that have primary enforcement authority (primacy) to implement and maintain UIC programs.

Targeted Watershed Grants

The President's FY 2005 Budget funds Targeted Watershed grants at $25 million, an increase of $5 million over to help municipalities meet requirements for nutrient loading reductions. The program supports competitive grants to watershed stakeholders ready to undertake immediate action to improve water quality, and to improve watershed protection measures with tools, training and technical assistance. Special emphasis will be given to projects that promote water quality trading opportunities to more efficiently achieve water quality benefits through market-based approaches.

State and Tribal Performance Fund

The President's FY 2005 Budget includes $23 million for a new performance grants program that will be available to states and tribes on a competitive basis for all activities eligible for categorical grant assistance. The award process will be performance-focused, with winners selected on the basis of environmental and/or public health outcomes. This will encourage development of projects with tangible, performance-based

environmental and health outcomes that can be models for implementation across the nation..

Wastewater Operator Training Grants

The President's FY 2005 Budget includes $1.5 million as a transfer from EPM to STAG to better align its budget with its performance goals and reflect the environmental partnerships supported by these funds. States and state universities receive funding to provide technical assistance for municipally owned wastewater treatment plants.

Elimination of Tribal Cap on Non-Point Sources

In 2005, the President's Budget eliminates the statutory one-third-of-one-percent cap on Clean Water Act Section 319 Nonpoint Source Pollution grants that may be awarded to tribes. Tribes applying for and receiving Section 319 grants have steadily increased from two in 1991 to over 70 in 2001. This proposal recognizes the increasing demand for resources to address Tribal nonpoint source program needs.

CATEGORIAL PROGRAM GRANTS (STAG)
by National Program and State Grant
(Dollars in Thousands)

Grant	FY2004 President's Budget	FY 2005 President's Budget	Difference FY 2005 v FY 2004
Air & Radiation			
State and Local Assistance	$228,550.0	$228,550.0	$0.0
Tribal Assistance	$11,050.0	$11,050.0	$0.0
Radon	$8,150.0	$8,150.0	$0.0
	$247,750.0	**$247,750.0**	**$0.0**
Water Quality			
Pollution Control (Section 106)	$200,400.0	$222,400.0	$22,000.0
Beaches Protection	$10,000.0	$10,000.0	$0.0
Nonpoint Source (Section 319)	$238,500.0	$209,100.0	($29,400.0)
Wetlands Program Development	$20,000.0	$20,000.0	$0.0
Water Quality Cooperative Agrmts	$19,000.0	$20,500.0	$1,500.0
Targeted Watersheds	$20,000.0	$25,000.0	$5,000.0
Wastewater Operator Training Grants	$0.0	$1,500.0	$1,500.0
	$507,900.0	**$508,500.0**	**$600.0**
Drinking Water			
Public Water System Supervision (PWSS)	$105,100.0	$105,100.0	$0.0
Underground Injection Control (UIC)	$11,000.0	$11,000.0	$0.0
Homeland Security	$5,000.0	$5,000.0	$0.0
	$121,100.0	**$121,100.0**	**$0.0**
Hazardous Waste			
H.W. Financial Assistance	$106,400.0	$106,400.0	$0.0
Brownfields	$60,000.0	$60,000.0	$0.0
Underground Storage Tanks	$11,950.0	$37,950.0	$26,000.0
	$178,350.0	**$204,350.0**	**$26,000.0**
Pesticides & Toxics			
Pesticides Progra m Implementation	$13,100.0	$13,100.0	$0.0
Lead	$13,700.0	$13,700.0	$0.0
Toxic Substances Compliance	$5,150.0	$5,150.0	$0.0
Pesticides Enforcement	$19,900.0	$19,900.0	$0.0
	$51,850.0	**$51,850.0**	**$0.0**
Multimedia			
Environmental Information	$25,000.0	$25,000.0	$0.0
Pollution Prevention	$6,000.0	$6,000.0	$0.0
Sector Program	$2,250.0	$2,250.0	$0.0
Indian General Assistance Program	$62,500.0	$62,500.0	$0.0
State and Tribal Performance Fund	$0.0	$23,000.0	$23,000.0
	$95,750.0	**$118,750.0**	**$23,000.0**
TOTALS	**$1,202,700.0**	**$1,252,300.0**	**$26,250.0**

FY 2005 STAG CATEGORICAL PROGRAM GRANTS

Statutory Authority and Eligible Uses

(Dollars in Thousands)

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2004 Request	FY 2005 Goal/ Objective	FY 2005 Request
State and Local Air Quality Management	Clean Air Act, §103	Air pollution control agencies as defined in section 302(b) of the CAA.	S/L monitoring and data collection activities in support of the establishment of a $PM_{2.5}$ monitoring network and associated program costs.	$42,500.0	Goal 1, Obj. 1	$42,500.0
State and Local Air Quality Management	Clean Air Act, §103	Multi-jurisdictional organizations (non-profit organizations whose boards of directors or membership is made up of CAA section 302(b) agency officers and Tribal representatives and whose mission is to support the continuing environmental programs of the states).	Coordinating or facilitating a multi-jurisdictional approach to addressing regional haze.	$10,000.0	Goal 1, Obj. 1	$10,000.0

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2004 Request	FY 2005 Goal/ Objective	FY 2005 Request
State and Local Air Quality Management	Clean Air Act, Sections 103, 105, 106	Air pollution control agencies as defined in section 302(b) of the CAA; Multi-jurisdictional organizations (non-profit organizations whose boards of directors or membership is made up of CAA section 302(b) agency officers and whose mission is to support the continuing environmental programs of the states); Interstate air quality control region designated pursuant to section 107 of the CAA or of implementing section 176A, or section 184 NOTE: only the Ozone Transport Commission is eligible as of 2/1/99	Carrying out the traditional prevention and control programs required by the CAA and associated program support costs; Coordinating or facilitating a multi-jurisdictional approach to carrying out the traditional prevention and control programs required by the CAA; Supporting training for CAA section 302(b) air pollution control agency staff; Coordinating or facilitating a multi-jurisdictional approach to control interstate air pollution.	$176,050.0	Goal 1, Obj. 1	$176,050.0

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2004 Request	FY 2005 Goal/ Objective	FY 2005 Request
Tribal Air Quality Management	Clean Air Act, Sections 103 and 105; TCA in annual Appropriations Acts	Tribes; Intertribal Consortia; State/Tribal college or university.	Conducting air quality assessment activities to determine a tribe's need to develop a CAA program; Carrying out the traditional prevention and control programs required by the CAA and associated program costs; Supporting training for CAA for federally recognized tribes.	$11,050.0	Goal 1, Obj. 1	$11,050.0
Radon	Toxic Substances Control Act, Sections 10 and 306; TCA in annual Appropriations Acts.	State Agencies, Tribes, Intertribal Consortia	Assist in the development and implementation of programs for the assessment and mitigation of radon.	$8,150.0	Goal 1, Obj. 2	$8,150.0
Water Pollution Control (Section 106)	FWPCA, as amended, §106; TCA in annual Appropriations Acts.	States, Tribes and Intertribal Consortia, and Interstate Agencies	Develop and carry out surface and ground water pollution control programs, including NPDES permits, TMDL's, WQ standards, monitoring, and NPS control activities.	$200,400.0	Goal 2, Obj. 2	$222,400.0

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2004 Request	FY 2005 Goal/ Objective	FY 2005 Request
Nonpoint Source (NPS – Section 319)	FWPCA, as amended, § 319(h); TCA in annual Appropriations Acts.	States, Tribes, Intertribal Consortia	Implement EPA-approved State and Tribal nonpoint source management programs and fund priority projects as selected by the State.	$238,500.0	Goal 2, Obj. 2	$209,100.0
Wetlands Program Development	FWPCA, as amended, §104 (b)(3); TCA in annual Appropriations Acts.	States, Local Governments, Tribes, Interstate Organizations, Intertribal Consortia, and Non-Profit Organizations	To develop new wetland programs or enhance existing programs for the protection, management and restoration of wetland resources.	$20,000.0	Goal 4, Obj. 3	$20,000.0
Water Quality Cooperative Agreements	FWPCA, as amended, §104(b)(3); Safe Drinking Water Act, §1442; TCA in annual Appropriations Acts.	States, Local Governments, Tribes, Non-Profit Organizations, Intertribal Consortia, and Interstate Organizations	Creation of unique and innovative approaches to pollution control and prevention requirements associated with wet weather activities, AFOs, TMDLs, source water protection, watersheds; and sustainable infrastructure management for both wastewater and drinking water systems.	$19,000.0	Goal 2, Obj. 1 and Obj. 2	$20,500.0
Targeted Watershed Grants	FWPCA, as amended, FY05 Appropriations Act	States, Local Governments, Tribes, Interstate Organizations, Intertribal Consortia, and Non-Profit Organizations	Assistance for watersheds to expand and improve existing watershed protection efforts.	$20,000.0	Goal 4, Obj. 3	$25,000.0

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2004 Request	FY 2005 Goal/ Objective	FY 2005 Request
Public Water System Supervision (PWSS)	Safe Drinking Water Act, §1443(a); TCA in annual Appropriations Acts.	States, Tribes, and Intertribal Consortia	Assistance to implement and enforce National Primary Drinking Water Regulations to ensure the safety of the Nation's drinking water resources and to protect public health.	$105,100.0	Goal 2, Obj. 1	$105,100.0
Homeland Security Grants	Safe Drinking Water Act, 1442; TCA in annual Appropriations Acts.	States, Tribes, and Intertribal Consortia	To assist States and Tribes in coordinating their water security activities with other homeland security efforts.	$5,000.0	Goal 2, Obj. 1	$5,000.0
Underground Injection Control [UIC]	Safe Drinking Water Act, § 1443(b); TCA in annual Appropriations Acts.	States, Tribes, Intertribal Consortia	Implement and enforce regulations that protect underground sources of drinking water by controlling Class I-V underground injection wells.	$11,000.0	Goal 2, Obj. 1	$11,000.0
Beaches Protection	Beaches Environmental Assessment and Coastal Health Act of 2000; TCA in annual Appropriations Acts.	States, Tribes, Intertribal Consortia, Local Governments	Develop and implement programs for monitoring and notification of conditions for coastal recreation waters adjacent to beaches or similar points of access that are used by the public.	$10,000.0	Goal 2, Obj. 1	$10,000.0

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2004 Request	FY 2005 Goal/ Objective	FY 2005 Request
Wastewater Operator Training Grants	Clean Water Act; Section 104(g)(1)	State Agencies and educational institutions	To fund programs for the development of training/ retraining of people in the fields of operation, maintenance and security of wastewater treatment works and related activities to maintain the effectiveness of systems.	$1,500.0 in the EPM account	Goal 2, Obj. 2	$1,500.0 in the STAG account
Hazardous Waste Financial Assistance	Resource Conservation Recovery Act, § 3011; FY 1999 Appropriations Act (PL 105-276); TCA in annual Appropriations Acts.	States, Tribes, Intertribal Consortia	Development & Implementation of Hazardous Waste Programs	$106,400.0	Goal 3, Obj. 1 Obj. 2	$106,400.0
Brownfields	Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, Section 128	States, Tribes, Intertribal Consortia	Build and support Brownfields programs which will assess contaminated properties, oversee private party cleanups, provide cleanup support through low interest loans, and provide certainty for liability related issues.	$180,500.0	Goal 4, Obj. 2	$180,500.0

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2004 Request	FY 2005 Goal/ Objective	FY 2005 Request
Underground Storage Tanks [UST]	Resource Conservation Recovery Act Sections 8001 and 2007(f) and FY 1999 Appropriations Act (PL 105-276); TCA in annual Appropriations Acts.	State, Tribes and Intertribal Consortia	Demonstration Grants, Inspections, Surveys and Training; Develop & implement UST program.	$11,950.0	Goal 3 Obj. 1	$37,950.0
Pesticides Program Implementation	The Federal Insecticide, Fungicide, and Rodenticide Act § 20 & 23; the FY 1999 Appropriations Act (PL 105-276); FY 2000 Appropriations Act (P.L. 106-74); TCA in annual Appropriations Acts.	States, Tribes and Intertribal Consortia	Assist states and tribes to develop and implement pesticide programs, including programs that protect workers, ground-water, and endangered species from pesticide risks , and other pesticide management programs designated by the Administrator; develop and implement programs for certification and training of pesticide applicators; develop Integrated Pesticides Management (IPM) programs; support pesticides education, outreach, and sampling efforts for tribes.	$13,100.0	Goal 2, Obj. 1 Goal 4, Obj. 1	$13,100.0

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2004 Request	FY 2005 Goal/ Objective	FY 2005 Request
Lead	Toxic Substances Control Act, § 404 (g); TSCA 10; FY2000 Appropriations Act (P.L. 106-74); TCA in annual Appropriations Acts.	States, Tribes, Intertribal Consortia	To support and assist states and tribes to develop and carry out authorized state lead abatement certification, training and accreditation programs; and to assist tribes in development of lead programs.	$13,700.0	Goal 4, Obj. 1	$13,700.0
Toxic Substances Compliance	Toxic Substances Control Act, §28(a) and 404 (g); TCA in annual Appropriations Acts.	States, Territories, Tribes, Intertribal Consortia	Assist in developing and implementing toxic substances enforcement programs for PCBs, asbestos, and lead-based paint.	$5,150.0	Goal 5, Obj. 1	$5,150.0
Pesticide Enforcement	FIFRA § 23(a)(1); FY 2000 Appropriations Act (P.L. 106-74); TCA in annual Appropriations Acts.	States, Territories, Tribes, Intertribal Consortia	Assist in implementing cooperative pesticide enforcement programs.	$19,900.0	Goal 5, Obj. 1	$19,900.0

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2004 Request	FY 2005 Goal/ Objective	FY 2005 Request
National Environmental Information Exchange Network (NEIEN, aka "the Exchange Network")	As appropriate, Clean Air Act, Sec. 103; Clean Water Act, Sec. 104; Solid Waste Disposal Act, Sec. 8001; FIFRA, Sec 20; TSCA, Sec. 10 and 28; Marine Protection, Research and Sanctuaries Act, Sec. 203; Safe Drinking Water Act, Sec. 1442; Indian Environmental General Assistance Program Act of 1992, as amended; FY 2000 Appropriations Act (P.L. 106-74); Pollution Prevention Act, Sec. 6605; FY 2002 Appropriations Act and FY 2003 Appropriations Acts.	States, tribes, interstate agencies, tribal consortium, and other agencies with related environmental information activities.	Assists states and others to better integrate environmental information systems, better enable data-sharing across programs, and improve access to information.	$25,000.0	Goal 4 Obj. 2	$25,000.0
Pollution Prevention	Pollution Prevention Act of 1990, §6605; TSCA 10; FY2000 Appropriations Act (P.L. 106-74); TCA in annual Appropriations Acts.	States, Tribes, Intertribal Consortia	To assist state and tribal programs to promote the use of source reduction techniques by businesses and to promote other Pollution Prevention activities at the state and tribal levels.	$6,000.0	Goal 4, Obj. 1	$6,000.0

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2004 Request	FY 2005 Goal/ Objective	FY 2005 Request
Sector Program (previously Enforcement & Compliance Assurance)	As appropriate, Clean Air Act, Sec. 103; Clean Water Act, Sec. 104; Solid Waste Disposal Act, Sec. 8001; FIFRA, Sec 20; TSCA, Sec. 10 and 28; Marine Protection, Research and Sanctuaries Act, Sec. 203; Safe Drinking Water Act, Sec. 1442; Indian Environmental General Assistance Program Act of 1992, as amended; FY 2000 Appropriations Act (P.L. 106-74); TCA in annual Appropriations Acts.	State, Territories, Tribes, Intertribal Consortia, Multi-jurisdictional Organizations	Assist in developing innovative sector-based, multi-media, or single-media approaches to enforcement and compliance assurance	$2,250.0	Goal 5, Obj. 1	$2,250.0
Indian General Assistance Program	Indian Environmental General Assistance Program Act of 1992, as amended; TCA in annual Appropriations Acts.	Tribal Governments and Intertribal Consortia	Plan and develop Tribal environmental protection programs.	$62,500.0	Goal 5, Obj. 3	$62,500.0
State and Tribal Performance Fund	FY 2005 President's Budget	State and Tribal Governments	Projects with performance-based environmental and public health outcomes	$0.0	Goal 5, Obj. 2	$23,000.0

* The Recipients listed in this column reflect assumptions in the FY 2005 Budget Request in terms of expected and/or anticipated eligible recipients.

INFRASTRUCTURE / STAG PROJECTS FINANCING

(Dollars in millions)

	FY 2004 President's Budget	FY 2005 President's Budget
Infrastructure Financing		
Clean Water State Revolving Fund (CWSRF)	$850.0	$850.0
Drinking Water State Revolving Fund (DWSRF)	$850.0	$850.0
STAG Projects		
Brownfields Environmental Projects	$120.5	$120.5
Clean School Bus Initiative	$0.0	$65.0
Mexico Border Projects	$50.0	$50.0
Alaska Native Villages	$40.0	$40.0
Targeted Projects - Puerto Rico	$8.0	$4.0
Total	**$1,918.5**	**$1,979.5**

Infrastructure and Special Projects Funds

The President's Budget includes a total of $1,979.5 million in 2005 for EPA's Infrastructure programs. Of the total infrastructure request, $1,744 million will support EPA's Goal 2: Clean and Safe Water, $170.5 million will support EPA's Goal 4: Healthy Communities and Ecosystems.

Infrastructure funding under the State and Tribal Assistance Grants (STAG) appropriation provides financial assistance to states, municipalities and Tribal governments to fund a variety of drinking water, wastewater, air and Brownfields environmental projects. These funds are essential to fulfill the Federal government's commitment to help our state, Tribal and local partners obtain adequate funding to construct the facilities required to comply with Federal environmental requirements and ensure public health and revitalize contaminated properties.

Providing STAG funds to capitalize State Revolving Fund (SRF) programs, EPA works in partnership with the states to provide low-cost loans to municipalities for infrastructure construction. As set-asides of the SRF programs, grants are available to Indian Tribes and Alaska Native Villages for drinking water and wastewater infrastructure needs based on national priority lists. The Brownfields Environmental Program provides states, tribes, political subdivisions (including cities, towns, and counties) the necessary tools, information, and strategies for promoting a unified approach to environmental assessment cleanup, characterization, and redevelopment at sites contaminated with hazardous wastes and petroleum contaminants.

The resources included in this budget will enable the Agency, in conjunction with EPA's state, local, and Tribal partners, to achieve several important goals for 2005. Some of these goals include:

- 94 percent of the population served by community water systems will receive drinking water meeting all health-based standards with compliance dates of December 2001 or earlier.
- Award 126 assessment grants under the Brownfields program, bringing the cumulative total grants awarded to 806 by the end of FY 2005 paving the way for productive reuse of these properties. This will bring the total number of sites assessed to 6,800 while leveraging a total of $7.5 billion in cleanup and redevelopment funds since 1995.

GOAL 1: CLEAN AIR AND GLOBAL CLIMATE CHANGE

Clean School Bus USA Initiative

In FY 2005, EPA will receive $65 million to retrofit school buses, a significant source of emissions that can cause health hazards in children. EPA began the Clean School Bus USA pilot program in April 2003 to provide schools and school districts cost-share grants to reduce diesel emissions from school buses. More than 24 million children that ride buses to school are at risk of exposure to high levels of diesel exhaust. Idling school buses can also compromise air quality around buses, including sidewalks, schoolyards, playgrounds, and even inside nearby buildings. By adopting better idling practices, retrofitting buses with modern emission control technology, using cleaner fuels and replacing older school buses, we have the potential of reducing PM emissions by more than 90 percent, helping to put tomorrow's cleaner buses on the road today.

GOAL 2: CLEAN AND SAFE WATER

Capitalizing Clean Water and Drinking Water State Revolving Funds

The Clean Water and Drinking Water State Revolving Fund programs demonstrate a true partnership between states, localities and the Federal government. These programs provide Federal financial assistance to states, localities, and Tribal governments to protect the nation's water resources by providing funds for the construction of drinking water and wastewater treatment facilities. The state revolving funds are two important elements of the nation's substantial investment in sewage treatment and drinking water systems which provides Americans with significant benefits in the form of reduced water pollution and safe drinking water.

EPA will continue to capitalize the Clean Water State Revolving Fund (CWSRF). Through this program, the Federal government provides financial assistance for wastewater and other water projects, including nonpoint source, estuary, stormwater, and sewer overflow projects. Water infrastructure projects contribute to direct ecosystem improvements by lowering the amount of nutrients and toxic pollutants in all types of surface waters.

The President's Budget includes funding the CWSRF at $850 million each year through 2011. More than $20 billion has already been provided to capitalize the CWSRF, over twice the original Clean Water Act authorized level of $8.4 billion. Total CWSRF funding available for loans since 1987, reflecting loan repayments, state match dollars, and other funding sources, is approximately $47 billion, of which more than $43.5 billion has been provided to communities as financial assistance.

The dramatic progress made in improving the quality of wastewater treatment since the 1970s is a national success. In 1972, only 84 million people were served by secondary or advanced wastewater treatment facilities. Today, 99 percent of community wastewater treatment plants, serving 181 million people, use secondary treatment or better.

The DWSRF will be self-sustaining in the long run and will help offset the costs of ensuring safe drinking water supplies and assisting small communities in meeting their responsibilities. As noted in the May 2003 Report to Congress, since its inception in 1997, the Drinking Water State Revolving Fund (DWSRF) program has made available $5.2 billion to finance 1,900 infrastructure improvement projects nationwide, with a return of $1.60 for every $1 of federal funds invested.

State Flexibility between SRFs: The Agency requests continuation of authority provided in the 1996 Safe Drinking Water Act (SDWA) Amendments which allows states to transfer an amount equal to 33 percent of their DWSRF grants to their CWSRF programs, or an equivalent amount from their CWSRF program to their DWSRF program. The transfer provision gives states flexibility to address the most critical demands in either program at a given time. The statutory transfer provision expired September 30, 2002.

Set-Asides for Tribes: To improve public health and water quality in Indian Country, the Agency will continue the 1 1/2% set-aside of the CWSRF for wastewater grants to tribes as provided in the Agency's 2002 appropriation. More than 70,000 homes in Indian country have inadequate or nonexistent wastewater treatment. EPA and the Indian Health Service estimate that Tribal wastewater infrastructure needs exceed $650.0 million.

Alaska Native Villages

The President's Budget includes $40.0 million for Alaska native villages for the construction of wastewater and drinking water facilities to address serious sanitation problems. EPA will continue to work with the Department of Health and Human Services' Indian Health Service, the State of Alaska,

and local communities to provide needed financial and technical assistance.

Puerto Rico

The President's Budget includes $4 million for the design of upgrades to Metropolitano's Sergio Cuevas treatment plant in San Juan, Puerto Rico. When all upgrades are complete, EPA estimates that about 1.4 million people will enjoy safer, cleaner drinking water.

GOAL 4: HEALTHY COMMUNITIES AND ECOSYSTEMS

Brownfields Environmental Projects

The President's Budget includes a total of $120.5 million for brownfields environmental projects. EPA will award grants for assessment activities, cleanup, and Brownfields cleanup revolving loan funds (BCRLF). Additionally, this includes cleanup of sites contaminated by petroleum or petroleum products and environmental job training grants.

Mexico Border

The President's Budget includes a total of $50.0 million for water infrastructure projects along the U.S./Mexico Border. The goal of this program is to reduce environmental and human health risks along the U.S./Mexico Border. The communities along both sides of the Border are facing unusual human health and environmental threats because of the lack of adequate wastewater and drinking water facilities. EPA's U.S./Mexico Border program provides funds to support the planning, design and construction of high priority water and wastewater treatment projects along the U.S./Mexico Border. The Agency's FY 2005 goal is to have a cumulative total of 1.5 million people in the Mexico border area protected from health risks because of adequate water and wastewater sanitation systems funded.

PROGRAM PROJECTS
(Dollars in Thousands)

Program Project	Appropriation	FY 2003 Actuals	FY 2004 Pres. Bud.	FY 2005 Pres. Bud.
Acquisition Management	EPM	$24,061.8	$25,227.6	$24,264.3
Acquisition Management	SUPERFUND	$16,452.8	$16,417.8	$19,028.5
Acquisition Management	LUST	$226.3	$200.9	$366.7
Administrative Law	EPM	$4,464.4	$4,705.1	$4,929.3
Alternative Dispute Resolution	EPM	$877.9	$1,153.4	$1,014.9
Alternative Dispute Resolution	SUPERFUND	$0.0	$0.0	$874.7
Audits, Evaluations, and Investigations	SUPERFUND	$12,110.4	$13,213.6	$13,138.6
Audits, Evaluations, and Investigations	IG	$34,502.5	$36,807.7	$37,997.0
Base Realignment and Closure (BRAC)	SUPERFUND	($6.5)	$0.0	$0.0
Beach / Fish Programs	EPM	$3,197.3	$3,689.5	$3,237.6
Brownfields	EPM	$20,635.1	$27,820.6	$28,002.3
Brownfields	SUPERFUND	$1,978.3	$0.0	$0.0
Categorical Grant: Beaches Protection	STAG	$7,473.3	$10,000.0	$10,000.0
Categorical Grant: Brownfields	STAG	$48,605.7	$60,000.0	$60,000.0
Categorical Grant: Environmental Information	STAG	$18,514.0	$25,000.0	$25,000.0
Categorical Grant: Hazardous Waste Financial Assistance	STAG	$104,940.8	$106,400.0	$106,400.0
Categorical Grant: Homeland Security	STAG	$4,508.5	$5,000.0	$5,000.0
Categorical Grant: Lead	STAG	$15,137.6	$13,700.0	$13,700.0
Categorical Grant: Nonpoint Source (Sec. 319)	STAG	$228,776.9	$238,500.0	$209,100.0
Categorical Grant: Pesticides Enforcement	STAG	$20,341.8	$19,900.0	$19,900.0
Categorical Grant: Pesticides Program Implementation	STAG	$13,165.5	$13,100.0	$13,100.0
Categorical Grant: Pollution Control (Sec. 106)	STAG	$193,648.9	$200,400.0	$222,400.0
Categorical Grant: Pollution Prevention	STAG	$5,360.4	$6,000.0	$6,000.0
Categorical Grant: Public Water System Supervision (PWSS)	STAG	$92,694.2	$105,100.0	$105,100.0
Categorical Grant: Radon	STAG	$9,415.3	$8,150.0	$8,150.0
Categorical Grant: Targeted Watersheds	STAG	$12,940.0	$20,000.0	$25,000.0
Categorical Grant: Toxics Substances	STAG	$5,229.8	$5,150.0	$5,150.0

PROGRAM PROJECTS
(Dollars in Thousands)

Program Project	Appropriation	FY 2003 Actuals	FY 2004 Pres. Bud.	FY 2005 Pres. Bud.
Compliance				
Categorical Grant: Tribal General Assistance Program	STAG	$56,577.4	$62,500.0	$62,500.0
Categorical Grant: Underground Injection Control (UIC)	STAG	$10,465.7	$11,000.0	$11,000.0
Categorical Grant: Underground Storage Tanks	STAG	$11,655.8	$11,950.0	$37,950.0
Categorical Grant: Wastewater Operator Training	STAG	$0.0	$0.0	$1,500.0
Categorical Grant: Water Quality Cooperative Agreements	STAG	$18,155.7	$19,000.0	$20,500.0
Categorical Grant: Wetlands Program Development	STAG	$14,206.2	$20,000.0	$20,000.0
Categorical Grant: Sector Program	STAG	$2,609.9	$2,250.0	$2,250.0
Categorical Grant: State and Local Air Quality Management	STAG	$229,633.4	$228,550.0	$228,550.0
Categorical Grant: State and Tribal Performance Fund	STAG	$0.0	$0.0	$23,000.0
Categorical Grant:Tribal Air Quality Management	STAG	$13,483.1	$11,050.0	$11,050.0
Central Planning, Budgeting, and Finance	EPM	$55,931.3	$62,043.4	$64,486.8
Central Planning, Budgeting, and Finance	SUPERFUND	$18,303.9	$23,150.4	$21,218.1
Central Planning, Budgeting, and Finance	LUST	$654.2	$949.6	$950.4
Children and other Sensitive Populations	EPM	$3,737.1	$7,080.4	$7,121.3
Civil Enforcement	EPM	$100,780.1	$108,751.1	$113,395.4
Civil Enforcement	SUPERFUND	$133.2	$142.7	$142.0
Civil Enforcement	OIL	$1,423.1	$1,588.2	$1,628.7
Civil Rights / Title VI Compliance	EPM	$8,491.7	$12,113.8	$12,414.2
Clean Air Allowance Trading Programs	EPM	$15,520.7	$16,453.2	$17,495.8
Clean Air Allowance Trading Programs	S&T	$4,189.4	$9,352.9	$9,352.9
Climate Protection Program	EPM	$82,169.5	$91,289.6	$91,961.3
Climate Protection Program	S&T	$19,588.0	$17,320.3	$17,458.9
Commission for Environmental Cooperation	EPM	$4,374.0	$3,937.8	$3,948.8
Compliance Assistance and Centers	EPM	$24,786.3	$27,205.8	$27,759.1
Compliance Assistance and Centers	LUST	$401.9	$586.5	$585.3
Compliance Assistance and Centers	OIL	$198.6	$279.9	$276.6

PROGRAM PROJECTS
(Dollars in Thousands)

Program Project	Appropriation	FY 2003 Actuals	FY 2004 Pres. Bud.	FY 2005 Pres. Bud.
Compliance Assistance and Centers	S&T	$268.0	$0.0	$0.0
Compliance Incentives	EPM	$9,185.2	$9,081.2	$9,195.1
Compliance Incentives	SUPERFUND	$403.8	$176.0	$175.6
Compliance Monitoring	EPM	$56,567.5	$58,155.0	$62,216.7
Congressional, Intergovernmental, External Relations	EPM	$54,010.1	$47,267.7	$48,366.0
Congressional, Intergovernmental, External Relations	SUPERFUND	$138.2	$184.5	$184.0
Congressionally Mandated Projects	EPM	$79,980.2	$0.0	$0.0
Congressionally Mandated Projects	SUPERFUND	$28.9	$0.0	$0.0
Congressionally Mandated Projects	STAG	$274,231.1	$0.0	$0.0
Congressionally Mandated Projects	S&T	$44,613.9	$0.0	$0.0
Criminal Enforcement	EPM	$30,874.4	$30,276.1	$31,370.0
Criminal Enforcement	SUPERFUND	$9,574.1	$7,800.7	$8,535.7
Drinking Water Programs	EPM	$83,373.3	$96,132.8	$97,947.9
Drinking Water Programs	S&T	$2,746.4	$2,952.7	$2,999.7
Endocrine Disruptors	EPM	$7,075.1	$9,002.7	$9,037.3
Enforcement Training	EPM	$3,797.0	$3,283.9	$3,302.4
Enforcement Training	SUPERFUND	$864.5	$754.7	$755.7
Environment and Trade	EPM	$1,769.6	$1,702.6	$1,723.1
Environmental Education	EPM	$5,281.0	$0.0	$0.0
Environmental Justice	EPM	$3,721.6	$4,144.3	$4,230.5
Environmental Justice	SUPERFUND	$770.6	$900.0	$900.0
Exchange Network	EPM	$18,806.4	$30,370.2	$25,419.7
Exchange Network	SUPERFUND	$2,476.0	$2,925.1	$2,342.5
Facilities Infrastructure and Operations	B&F	$28,204.9	$31,418.0	$31,418.0
Facilities Infrastructure and Operations	EPM	$284,373.5	$313,311.4	$326,793.8
Facilities Infrastructure and Operations	SUPERFUND	$61,632.5	$63,837.8	$70,981.9
Facilities Infrastructure and Operations	LUST	$1,036.7	$1,053.1	$883.9
Facilities Infrastructure and Operations	OIL	$503.6	$504.4	$504.4
Facilities Infrastructure and Operations	S&T	$9,249.6	$8,715.8	$8,715.8
Federal Stationary Source Regulations	EPM	$19,120.1	$23,702.2	$24,302.0
Federal Support for Air Quality Management	EPM	$83,423.5	$87,004.8	$93,283.6

PROGRAM PROJECTS
(Dollars in Thousands)

Program Project	Appropriation	FY 2003 Actuals	FY 2004 Pres. Bud.	FY 2005 Pres. Bud.
Federal Support for Air Quality Management	S&T	$9,950.6	$10,033.3	$10,048.7
Federal Support for Air Toxics Program	EPM	$27,092.6	$26,498.2	$25,181.2
Federal Support for Air Toxics Program	S&T	$1,426.0	$2,560.0	$2,582.9
Federal Vehicle and Fuels Standards and Certification	S&T	$55,525.5	$60,446.8	$64,466.5
Financial Assistance Grants / IAG Management	EPM	$15,073.7	$17,373.8	$20,328.9
Financial Assistance Grants / IAG Management	SUPERFUND	$2,718.5	$2,939.6	$2,933.2
Forensics Support	SUPERFUND	$3,264.7	$5,695.9	$4,189.3
Forensics Support	S&T	$11,581.2	$12,562.5	$12,721.5
Geographic Program: Chesapeake Bay	EPM	$21,755.2	$20,777.7	$20,816.6
Geographic Program: Great Lakes	EPM	$16,810.7	$18,104.2	$21,194.8
Geographic Program: Gulf of Mexico	EPM	$4,383.0	$4,431.7	$4,477.8
Geographic Program: Lake Champlain	EPM	$2,666.6	$954.8	$954.8
Geographic Program: Long Island Sound	EPM	$2,225.5	$477.4	$477.4
Geographic Program: Other	EPM	$5,731.7	$4,762.5	$6,789.7
Great Lakes Legacy Act	EPM	$0.0	$15,000.0	$45,000.0
Homeland Security: Communication and Information	EPM	$874.0	$3,820.3	$4,320.3
Homeland Security: Critical Infrastructure Protection	EPM	$3,820.0	$6,844.2	$6,840.8
Homeland Security: Critical Infrastructure Protection	SUPERFUND	$361.1	$770.7	$852.6
Homeland Security: Critical Infrastructure Protection	S&T	$14,186.4	$24,782.3	$3,515.6
Homeland Security: Preparedness, Response, and Recovery	EPM	$688.8	$1,827.4	$1,839.8
Homeland Security: Preparedness, Response, and Recovery	SUPERFUND	$66,237.6	$35,625.2	$29,163.2
Homeland Security: Preparedness, Response, and Recovery	S&T	$3,273.7	$24,917.6	$25,396.0
Homeland Security: Protection of EPA Personnel and Infrastructure	B&F	$10,281.4	$11,500.0	$11,500.0
Homeland Security: Protection of EPA Personnel and Infrastructure	EPM	$23,719.6	$6,288.0	$6,344.3
Homeland Security: Protection of EPA	SUPERFUND	$0.0	$600.0	$600.0

PROGRAM PROJECTS
(Dollars in Thousands)

Program Project	Appropriation	FY 2003 Actuals	FY 2004 Pres. Bud.	FY 2005 Pres. Bud.
Personnel and Infrastructure				
Homeland Security: Protection of EPA Personnel and Infrastructure	S&T	$5,967.1	$2,100.0	$2,100.0
Human Health Risk Assessment	SUPERFUND	$1,796.4	$3,916.9	$3,951.8
Human Health Risk Assessment	S&T	$25,739.6	$32,578.1	$32,880.4
Human Resources Management	EPM	$39,536.6	$42,384.6	$44,139.5
Human Resources Management	SUPERFUND	$6,955.1	$6,803.4	$4,410.6
Human Resources Management	LUST	$0.0	$3.0	$3.0
Indoor Air: Asthma Program	EPM	$9,062.6	$11,097.0	$11,197.3
Indoor Air: Environment Tobacco Smoke Program	EPM	$2,832.8	$3,617.5	$3,695.1
Indoor Air: Radon Program	EPM	$5,376.3	$5,492.2	$5,667.1
Indoor Air: Radon Program	S&T	$467.3	$378.9	$398.5
Indoor Air: Schools and Workplace Program	EPM	$7,955.7	$10,320.2	$10,352.1
Indoor Air: Schools and Workplace Program	S&T	$1,049.5	$856.0	$906.1
Information Security	EPM	$19,594.1	$13,337.4	$4,188.3
Information Security	SUPERFUND	$1,948.9	$0.0	$508.9
Information Security	S&T	($26.8)	$0.0	$0.0
Infrastructure Assistance: Alaska Native Villages	STAG	$41,810.6	$40,000.0	$40,000.0
Infrastructure Assistance: Brownfields Projects	STAG	$81,953.4	$120,500.0	$120,500.0
Infrastructure Assistance: Clean School Bus Initiative	EPM	$0.0	$1,500.0	$0.0
Infrastructure Assistance: Clean School Bus Initiative	STAG	$0.0	$0.0	$65,000.0
Infrastructure Assistance: Clean Water SRF	STAG	$1,386,537.4	$850,000.0	$850,000.0
Infrastructure Assistance: Drinking Water SRF	STAG	$866,607.7	$850,000.0	$850,000.0
Infrastructure Assistance: Mexico Border	STAG	$113,426.6	$50,000.0	$50,000.0
Infrastructure Assistance: Puerto Rico	STAG	$0.0	$8,000.0	$4,000.0
International Capacity Building	EPM	$11,774.0	$6,176.9	$6,854.0
IT / Data Management	EPM	$88,443.9	$116,081.7	$133,182.4
IT / Data Management	SUPERFUND	$16,381.7	$17,459.0	$18,067.3

PROGRAM PROJECTS
(Dollars in Thousands)

Program Project	Appropriation	FY 2003 Actuals	FY 2004 Pres. Bud.	FY 2005 Pres. Bud.
IT / Data Management	LUST	$52.2	$143.7	$177.6
IT / Data Management	OIL	$37.7	$23.8	$32.8
IT / Data Management	S&T	$3,527.6	$4,057.8	$4,821.4
Legal Advice: Environmental Program	EPM	$33,132.3	$33,879.1	$34,678.8
Legal Advice: Environmental Program	SUPERFUND	$781.4	$843.8	$844.0
Legal Advice: Support Program	EPM	$8,871.3	$12,240.9	$12,521.7
LUST / UST	EPM	$6,770.6	$7,144.2	$7,094.5
LUST / UST	LUST	$12,645.8	$10,581.0	$10,499.6
LUST Cooperative Agreements	EPM	$10.8	$0.0	$0.0
LUST Cooperative Agreements	LUST	$55,787.9	$58,399.1	$58,450.0
Marine Pollution	EPM	$7,070.0	$12,049.9	$12,296.0
National Estuary Program / Coastal Waterways	EPM	$22,712.0	$19,094.2	$19,229.3
NEPA Implementation	EPM	$11,204.2	$12,315.4	$12,654.2
Offsetting Receipts	Offsetting Receipts	$0.0	($4,000.0)	($30,000.0)
Oil Spill: Prevention, Preparedness and Response	OIL	$12,543.8	$12,897.5	$13,064.7
Pesticides: Field Programs	EPM	$21,120.5	$25,757.7	$27,185.9
Pesticides: Registration of New Pesticides	EPM	$40,362.9	$33,699.0	$42,907.0
Pesticides: Registration of New Pesticides	S&T	$2,096.0	$2,282.6	$2,403.2
Pesticides: Review / Reregistration of Existing Pesticides	EPM	$48,487.3	$61,933.8	$58,053.9
Pesticides: Review / Reregistration of Existing Pesticides	S&T	$2,434.7	$2,380.6	$2,417.1
Pollution Prevention Program	EPM	$15,450.3	$17,098.7	$22,496.2
POPs Implementation	EPM	$2,090.9	$2,224.4	$2,235.4
Radiation: Protection	EPM	$11,111.8	$12,443.4	$11,811.7
Radiation: Protection	SUPERFUND	$2,138.0	$2,336.5	$2,323.2
Radiation: Protection	S&T	$3,860.4	$4,084.9	$2,847.0
Radiation: Response Preparedness	EPM	$3,009.5	$2,401.0	$2,610.9
Radiation: Response Preparedness	S&T	$1,119.3	$1,680.2	$2,239.0
RCRA: Corrective Action	EPM	$36,816.6	$40,363.8	$40,975.6
RCRA: Waste Management	EPM	$59,706.6	$67,381.6	$67,422.3

PROGRAM PROJECTS
(Dollars in Thousands)

Program Project	Appropriation	FY 2003 Actuals	FY 2004 Pres. Bud.	FY 2005 Pres. Bud.
RCRA: Waste Minimization & Recycling	EPM	$15,433.3	$12,771.6	$14,301.7
Regional Geographic Initiatives	EPM	$6,855.9	$8,755.7	$8,799.5
Regional Science and Technology	EPM	$2,840.1	$3,609.2	$3,626.2
Regulatory Innovation	EPM	$14,082.3	$21,931.7	$21,992.2
Regulatory/Economic-Management and Analysis	EPM	$21,261.8	$18,468.6	$18,551.8
Research: Air Toxics	S&T	$14,257.2	$15,700.9	$17,638.9
Research: Drinking Water	S&T	$43,253.7	$46,053.4	$46,118.1
Research: Endocrine Disruptor	S&T	$13,161.9	$12,984.7	$8,044.0
Research: Environmental Technology Verification (ETV)	S&T	$2,619.0	$4,011.8	$2,996.8
Research: Human Health and Ecosystems	SUPERFUND	$1.8	$0.0	$0.0
Research: Human Health and Ecosystems	S&T	$163,548.9	$190,730.8	$177,407.5
Research: Land Protection and Restoration	SUPERFUND	$14,190.3	$24,960.5	$22,671.1
Research: Land Protection and Restoration	LUST	$607.8	$628.5	$628.5
Research: Land Protection and Restoration	OIL	$875.9	$915.0	$917.8
Research: Land Protection and Restoration	S&T	$9,448.8	$10,064.5	$8,841.9
Research: Particulate Matter	S&T	$64,437.9	$63,620.6	$63,690.8
Research: Pesticides and Toxics	S&T	$32,664.7	$36,784.8	$29,017.7
Research: Pollution Prevention	SUPERFUND	$408.9	$593.0	$593.0
Research: Pollution Prevention	S&T	$31,095.2	$38,405.6	$33,467.5
Research: SITE Program	SUPERFUND	$4,781.1	$6,941.1	$6,927.7
Research: Troposphere Ozone	S&T	$4,804.2	$4,942.3	$4,900.9
Research: Water Quality	S&T	$46,934.1	$47,178.5	$46,809.8
Research: Computational Toxicology	S&T	$5,436.9	$8,948.6	$13,028.7
Research: Fellowships	S&T	$2,040.8	$6,402.8	$8,261.6
Research: Global Change	S&T	$22,354.9	$21,528.6	$20,689.6
Science Advisory Board	EPM	$3,748.7	$4,409.0	$4,757.1
Science Policy and Biotechnology	EPM	$850.2	$1,603.8	$1,707.2
Small Business Ombudsman	EPM	$3,048.6	$3,764.9	$3,838.7

PROGRAM PROJECTS
(Dollars in Thousands)

Program Project	Appropriation	FY 2003 Actuals	FY 2004 Pres. Bud.	FY 2005 Pres. Bud.
Small Minority Business Assistance	EPM	$2,105.8	$2,214.5	$2,282.0
State and Local Prevention and Preparedness	EPM	$10,273.0	$12,508.1	$12,134.8
Stratospheric Ozone: Domestic Programs	EPM	$5,994.8	$5,786.6	$5,839.6
Stratospheric Ozone: Multilateral Fund	EPM	$9,518.9	$11,000.0	$13,500.0
SUPERFUND: Emergency Response and Removal	SUPERFUND	$217,880.1	$199,803.9	$201,088.0
SUPERFUND: Enforcement	SUPERFUND	$158,487.3	$155,307.5	$155,537.2
SUPERFUND: EPA Emergency Preparedness	EPM	($0.2)	$0.0	$0.0
SUPERFUND: EPA Emergency Preparedness	SUPERFUND	$17,927.0	$10,130.1	$10,091.4
SUPERFUND: Federal Facilities	SUPERFUND	$28,838.1	$32,744.2	$32,182.0
SUPERFUND: Federal Facilities IAGs	SUPERFUND	$6,749.0	$10,022.6	$10,044.4
SUPERFUND: Remedial	SUPERFUND	$656,387.4	$732,042.6	$725,483.8
SUPERFUND: Support to Other Federal Agencies	SUPERFUND	$10,178.8	$10,676.0	$10,676.0
Surface Water Protection	EPM	$169,838.6	$190,234.5	$191,796.6
Toxic Substances: Chemical Risk Management	EPM	$10,464.4	$9,243.1	$9,514.2
Toxic Substances: Chemical Risk Review and Reduction	Credit Subsidy Re-estimate	$905.5	$0.0	$0.0
Toxic Substances: Chemical Risk Review and Reduction	EPM	$41,306.9	$45,536.2	$45,878.8
Toxic Substances: Lead Risk Reduction Program	EPM	$11,263.0	$14,832.9	$11,082.6
TRI / Right to Know	EPM	$14,490.6	$14,609.2	$15,940.9
TRI / Right to Know	S&T	$197.0	$81.4	$0.0
Tribal - Capacity Building	EPM	$9,555.8	$10,494.1	$10,641.7
US Mexico Border	EPM	$4,967.7	$6,484.4	$5,784.8
Wetlands	EPM	$17,129.2	$19,299.9	$19,752.8

PROGRAM ASSESSMENT RATING TOOL (PART)

LEAKING UNDERGROUND STORAGE TANKS

1.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Establish outcome performance measures	09/30/04	Y	In all LUST cleanups, a health or environmental based outcome must be achieved before the cleanup can be considered complete.
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
Risk Screening Env. Index: new analyses to refine targets, e.g., use of GIS methods to better illustrate what a completed cleanup means in various states.	09/30/04	Office of Solid Waste and Emergency Response	Sammy Ng

2.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Establish efficiency measures.	09/30/04	Y	Currently developing measures of national program efficiency, including the creation of a baseline from which future performance evaluations can be based (FY 2004 and beyond).
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
Potential efficiency measure identified, further analysis needed to verify or develop baselines/metrics	09/30/04	Office of Solid Waste and Emergency Response	Sammy Ng

AIR TOXICS

1.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Increase funding for toxic air pollutant programs in the FY 2004 budget by $7 million in State grants for monitoring to help fill data gaps.	04/01/04	Y	Requested funding provided by Congress.
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**

Final funding level will be determined during the agency's FY 2004 operating plan development process.	04/01/04	Office of Air and Radiation	Jerry Kurtzweg

2.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Focus on maximizing programmatic net benefits and minimizing the cost per deleterious health effect avoided.	Ongoing	Y	EPA will complete the remaining MACT standards and continue work on the residual risk program.
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
Completion of remaining MACT standards	02/29/04	Office of Air and Radiation	Jerry Kurtzweg

3.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Establish better performance measures (including an appropriate efficiency measure).	Ongoing	Y	Proposed efficiency measure submitted to OMB in PART update. For further information consult the Efficiency Measures / Measure Development Plan subsection within the Goal 1 Objective 1 section. For further information consult the Efficiency Measures / Measure Development Plan subsection within the Goal 1 Objective 1 section.
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
Potential efficiency measures identified; further analysis needed to develop measure.	07/01/04	Office of Air and Radiation	Jerry Kurtzweg

NONPOINT SOURCE PROGRAM

1.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Develop an outcome-based efficiency measure that demonstrates the marginal benefit to the environment per dollars expended for the program.	09/04/04	Y	OMB approved revised long-term performance measures but rejected efficiency measure in 05 PART reassessment. Program will work with OMB to develop efficiency measure. For further information consult the Efficiency Measures / Measure Development Plan subsection within the Goal 2 Objective 2 section.
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
Continue to work with state partners to improve efficiency measure and develop actions based on OMB's 05 recommendations	06/30/04	Office of Water	Mike Mason

SUPERFUND/CERCLA REMOVAL/EMERGENCY RESPONSE

1.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Establish better "Outcome" performance measures	TBD	Y	OSWER currently has a contractor tasked with reviewing historical Removal Action data to determine what types of measures of effectiveness of removals (such as lives saved or protected, environment protected, etc.) might be workable, especially to show improvement from one year to the next. For further information consult the Efficiency Measures / Measure Development Plan subsection within the Goal 3 Objective 2 section.
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
Effectiveness measure developed for testing	03/01/04	Office of Solid Waste and Emergency Response	Dana Stalcup

2.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Establish efficiency measures.	TBD	Y	We have begun looking at ways to categorize different types of removals, based on things such as size and complexity, to allow for possible efficiency analyses. For further information consult the Efficiency Measures / Measure Development Plan subsection within the Goal 3 Objective 2 section
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
Draft efficiency measure developed	10/01/04	Office of Solid Waste and Emergency Response	Dana Stalcup

3.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status

Increase Efforts in Program Evaluation	TBD	Y	While the Superfund removal program does not have a planned regular, independent program evaluation process, we have conducted program reviews of recent responses (such as the World Trade Center and the Anthrax responses). In addition, OSWER has recently implemented an office-wide Program Evaluation Team and Network to foster increased program evaluation efforts across all OSWER programs, including the Superfund removal program. Priorities for evaluation will be based on the potential risks/ vulnerabilities posed by a program or component thereof and the potential improvement in operation and efficiency that could be gained from that evaluation.
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
All relevant program offices participate in ongoing Program Evaluation Network meetings and provide input to the evaluation planning process.	03/30/04	Office of Solid Waste and Emergency Response	Bruce Pumphrey

4.

Recommendation	**Completion Date**	**On Track? (Y/N)**	**Comments on Status**
Improve Strategic Planning	TBD	Y	While the Superfund Removal program, by its emergency and response orientation, does not have a regular strategic planning process in place, we have taken significant programmatic action as a result of lessons learned from the World Trade Center and Anthrax responses. The National Approach to Response (NAR) was developed to deal with many of the issues identified during those responses. A national work plan to implement the NAR has been

			issued which provides strategic direction for the removal program over the next several years.
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
Complete WTC/Anthrax Lesson Learned Implement National Approach to Response, and assess its effectiveness	Completed 03/30/04 and 10/31/04	Office of Solid Waste and Emergency Response	Dana Stalcup

5.

Recommendation	**Completion Date**	**On Track? (Y/N)**	**Comments on Status**
Improve Collection of Program Performance Data	TBD	Y	We are currently collecting program performance data via the Core ER, and will continue to improve the data collection and performance analysis process over the next year. We have taken significant programmatic action as a result of lessons learned from the World Trade Center and Anthrax responses. The National Approach to Response (NAR) was developed to deal with many of the issues identified during those responses. A national work plan to implement the NAR has been issued which provides strategic direction for the removal program over the next several years.
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**

Complete WTC/Anthrax Lesson Learned Implement National Approach to Response, and assess its effectiveness	Completed 02/29/04	Office of Solid Waste and Emergency Response	Dana Stalcup

DRINKING WATER STATE REVOLVING FUND

1.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Develop an outcome efficiency measure that demonstrates the marginal benefit to public health per dollars expended for the program.	9/30/04	Y	OMB reassessment in FY O5 approved revised performance measures but rejected proposed efficiency measures. The DW SRF program will work with its state partners in developing efficiency measures. For further information consult the Efficiency Measures / Measure Development Plan subsection within the Goal 2 Objective 1 section.
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
Continue to develop efficiency measures	06/01/04	Office of Water	Mike Mason

PESTICIDE REGISTRATION

	Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
1.	Improve long-term performance measures: develop baselines and targets; improve outcome focus	ongoing	Y	Revisions to long-term measures made in new strategic plan; additional measures under analysis.
	Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
	Proceed with analysis of potential measures: analysis funded; next step: complete analysis	09/30/04	Office of Prevention, Pesticides, and Toxic Substances	Carol Terris
	Recommendation	**Completion Date**	**On Track? (Y/N)**	**Comments on Status**
2.	Improve long-term performance measures: develop baselines and targets; improve outcome focus	09/30/04	Y	Revisions to long-term measures made in new strategic plan; additional measures under analysis.
	Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
	One potential outcome measure/data set identified. Next step: integrate into program operation.	09/30/04	Office of Prevention, Pesticides, and Toxic Substances	Carol Terris

PESTICIDE REREGISTRATION

	Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
1.	Improve long-term performance measures: develop baselines and targets; improve outcome focus.	Ongoing	Y	Revisions to long-term measures made in new strategic plan; additional measures under analysis.
	Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
	Proceed with analysis of potential measures: analysis funded; next step: complete analysis	9/30/04	Office of Prevention, Pesticides, and Toxic Substances	Carol Terris

NEW CHEMICALS

1.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Establish more outcome-oriented measures including at least one efficiency measure.	9/30/04	Y	Improved outcome and efficiency measure in place but more work is underway to develop/refine annualized targets. OCFO/OPEI funded project to improve efficiency and outcome measures for New Chemicals program this year. For further information consult the Efficiency Measures / Measure Development Plan subsection within the Goal 4 Objective 1 section.
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
Annualized targets developed.	06/30/04	Office of Prevention, Pesticides, and Toxic Substances	Carol Terris

2.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Improvement of the program's strategic planning, including an independent evaluation of the program, which can result in significant improvement of program results.	09/30/04	Y	FDA independent assessment submitted
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
Canadian peer review of PMN process and tools initiated in '03	09/30/04	Office of Prevention, Pesticides, and Toxic Substances	Carol Terris

EXISTING CHEMICALS

1.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Establish better performance measures	09/30/04	Y	RSEI analyses were shared with OMB as part of the EPA Appeal to the FY 2005 PART results. A new long-term, ambitious target was established for the RSEI goal and annual targets reflect incremental progress towards the longer-term goal.
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
Monitor against revised targets	Ongoing	Office of Prevention, Pesticides, and Toxic Substances	Carol Terris

2.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Establish efficiency measures.	09/30/04	Y	Potential efficiency measures have been developed but additional program and trends analysis required.
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
Three potential efficiency measures identified, further analysis needed to verify or develop baselines/metrics	09/30/04	Office of Prevention, Pesticides, and Toxic Substances	Carol Terris

AMERICAN INDIAN ENVIRONMENTAL GENERAL ASSISTANCE PROGRAM

	Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
1.	Encourage EPA to develop ambitious performance targets for its annual and efficiency measures.	09/30/04	Y	OMB approved revised performance measures in 05 PART reassessment. Program rating moved from "results not demonstrated" to "adequate." For further information consult the Efficiency Measures / Measure Development Plan subsection within the Goal 5 Objective 3 section.
	Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
	Work with tribal partners to develop more accurate targets.	09/30/04	Office of Water/American Indian Environmental Office	Mike Mason

CIVIL ENFORCEMENT

1.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Fund $5 million in the FY 2004 budget for an improved compliance data system.	9/31/03	Y	Five million dollars for modernization of the Clean Water Act (CWA) data system was included in the President's FY 2004 Budget. This is the second phase of the compliance data system modernization effort known as ICIS (Integrated Compliance Information System). Continued delay in passage of EPA's FY 2004 appropriations bill may delay efforts to modernize the CWA data system.
Next Milestone	**Next Milestone Date**	**Lead Organization**	**Lead Official**
Final funding level will be determined during the agency's FY 2004 operating plan development process.	04/01/04	Office of Enforcement and Compliance Assurance	Michael Stahl